

Message Text

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43

ACTION NEA-12

INFO OCT-01 ADP-00 PM-07 L-03 AID-20 IGA-02 MC-02 CIAE-00

INR-10 NSAE-00 RSC-01 EB-11 OMB-01 TRSE-00 COME-00

RSR-01 EUR-25 SS-15 NSC-10 /121 W

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R 271317Z AUG 73

FM AMEMBASSY TEHRAN

TO SECSTATE WASHDC 3619

INFO SECDEF/WASHDC

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TAGS: MASS, BEXP, IR

SUBJ: HELICOPTER SIMULATORS FOR IRANIAN ARMY

REF: A. STATE 162034 B. SECDEF 181306Z AUG 73 C. TEHRAN 5809

SUMMARY: COMMENTS ARE PROVIDED ON RECENT VISIT OF SINGER VICE PRESIDENT TURNER.

1. DURING PAST WEEK, SINGER VICE PRESIDENT TURNER AND MAAG AND EMBASSY OFFICERS WERE IN FREQUENT CONTACT RE HIS SEVERAL CONCERNS FOR PENDING IIGF CONTRACT FOR HELICOPTER SIMULATORS. AS TURNER WILL PROBABLY CONTACT STATE AND DOD, WE ARE SUMMARIZING BACKGROUND UNDER HEADINGS COMPRISING HIS PRINCIPAL ARGUMENTS:

A. UNFAIR CANADIAN COMPETITION. TURNER ALLEGED SHAH HAD DIRECTED THAT CANADA BE GIVEN SOME DEFENSE BUSINESS AND IIA HAD DECIDED CANADA SHOULD BENEFIT FROM SIMULATION CONTRACT. AFTER CONSULTING TURNER, EMBOFF ASKED DEHESH WHERE CANADA STOOD. DEHESH REPLIED EITHER CONTRACT WOULD BE PUT UP FOR TENDERS WITH CANADIAN FIRM AND SINGER BIDDING ON ENTIRE PROJECT OR CANADA WOULD BE OFFERED ONE OF PROPOSED FOUR UNITS OF AIRCRAFT SIMULATORS. SUBSEQUENTLY, AFTER

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CANADIAN FIRM MADE ITS PRESENTATION TO MAAG AND GEN KHOSROWDAD

(IIGF AVIATION CHIEF), IT WAS EVIDENT FIRM WAS NOT ABLE COMPETE WITH SINGER PRODUCTS. THUS, IT SEEMS POSSIBLE CANADIAN FIRM WILL NOT PARTICIPATE IN SIMULATION PROGRAM.

B. CRITICAL ATTITUDE IN MAAG TOWARD SINGER SIMULATORS. TURNER WAS DISTURBED BY POINTED QUESTIONS RAISED WITH IIA BY TAFT MEMBER AS TO COST EFFECTIVENESS OF SINGER PRODUCTS. IN PART THIS INCIDENT IS EXPLAINED BY DIFFICULTY FOR THIS NEWLY-ARRIVED INDIVIDUAL TO OPERATE IN COMPLEX MAAG/TAFT/IIA/PRIVATE US FIRM RELATIONSHIP. HOWEVER, TURNER PRAISED MAAG OFFICERS' HANDLING OF HIS MEETING WITH KHOSROWDAD AND WE FEEL SESSION MAY USEFULLY HAVE REMOVED DOUBTS ON IRANIAN SIDE AS TO SINGER PRODUCTS.

C. DELAY IN SUBMISSION OF MAAG RECOMMENDATION TO IIA AND FAILURE OF MAAG TO COORDINATE APPROACH WITH SINGER. MAAG DELAYED ITS REPORT, FIRST, TO RECEIVE BENEFIT OF USA EXPERITISE AND, SECOND, TO ALLOW CANADIANS TO MAKE THEIR PRESENTATION ON AUGUST 25. MAAG, WHICH FAVORS SINGER PRODUCT, WISHED TO APPROACH KHOSROWDAD WHEN HE WAS IN MOST RECEPTIVE MOOD. MAAG REPORT, SUBJECT TO KHOSROWDAD CHANGES, WILL GO FORWARD SHORTLY AS MEMO FROM HIM TO TOUFANIAN. IT WOULD NOT BE APPROPRIATE TO DISCUSS MAAG RECOMMENDATIONS WITH SINGER UNTIL KHOSROWDAD ENDORSEMENT OBTAINED. WE BELIEVE RESPONSIBLE MAAG OFFICERS HANDLED THIS BUSINESS MOST EFFECTIVELY AND FAIRLY. SUBSTANCE OF RECOMMENDATION WILL BE TRANSMITTED TO WASHINGTON BY MAAG WHEN APPROVED BY IRANIANS. FYI. KHOSROWDAD AT ONE POINT INDICATED HE WOULD ALSO SOLICIT SIMULATOR OFFERS FROM FRENCH AND GERMANS.

2. IN ADDITION TO FOREGOING, WE HAVE MADE TWO OTHER POINTS TO TURNER:

A. IRANIANS APPEAR FEEL VERY MUCH AT SEA ON THIS PROJECT WITH CONFLICTING ADVICE COMING FROM SINGER, BELL AND PREVIOUS USA STUDY. THEY HAVE MADE PLAIN THEIR STRONG INTEREST IN MAAG RECOMMENDATIONS. DEHESH HAS STRESSED NO DECISION WOULD BE TAKEN UNTIL MAAG STUDY WAS COMPLETE. OBVIOUSLY IRANIANS ALONE WILL MAKE FINAL DECISION. B. TOO MUCH SALES PRESSURE BY SINGER CAN HURT COMPANY'S CAUSE. DEHESH AND KHOSROWDAD HAVE ALREADY SHOWN IRRITATION AT EFFORTS TO PRODUCT QUICK DECISION. DEHESNFTOLD MAAG NOT TO LET SINGER PRESSURE ADVISORS INTO DOING INCOMPLETE OR HASTY REPORT. EXPERIENCE OF OTHER COMPANIES TRYING HARD SELL TAITICS HERE IS WELL KNOWN IN WASHINGTON.

3. IN OUR JUDGMENT, SINGER HAS BEEN ASSISTED, NOT HURT, BY MAAG LIMITED OFFICIAL USE

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ADVISORS, WHO HAVE SCRUPULOUSLY MAINTAINED POSTURE GOI AND USG EXPECT OF THEM.
HELMS

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